

402 Broadway Income & Expenses

Income:

1 st Floor	\$1,650.00
2 nd Floor	\$1,600.00
3 rd Floor	\$1,350.00
4 th Floor	\$1,300.00

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\$5,900.00 mo / \$70,800.00 yr

Expenses:

Water	\$30.00 mo. / \$360.00 yr.
Insurance	\$252.82 mo. / \$3,033.88 yr.
Trash	\$75.00 mo. / \$900.00 yr.
Common Utilities	\$100.00 mo. / \$1200.00 yr. (approx)
Prop. Taxes	\$224.81 mo. / \$2,697.67 yr.
School Taxes	\$269.05 mo. \$3,228.65 yr.

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\$951.68 mo. / \$11,420.20 yr.

Price: \$700,000

Cap Rate: 8.5%

Gross Operating Income = Gross Rental Income – Vacancy Allowance

Gross Operating Income = \$70,800 – \$0 = \$70,800

Net Operating Income (NOI) = Gross Operating Income – Operating Expenses

Net Operating Income = \$70,800 – \$11,420.2 = \$59,379.8

Capitalization Rate = Net Operating Income / Purchase Price

Capitalization Rate = \$59,379.8 / \$700,000 = 8.483%

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